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1991



STATE OF MONTANA

Office of the Legislative Fiscal Analyst

STATE CAPITOL
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LEGISLATIVE FISCAL ANALYST

November 5, 1991

MONTANA STATE LIBRARY
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Status of long range building projects :



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TO: Legislative Finance Committee

FROM: Jim Haubein *Jim Haubein*
Principal Fiscal Analyst

RE: Status of Long Range Building Projects

EASTERN MONTANA VETERANS' HOME

Background

In the 1989 session, the legislature authorized the construction of a new 100 bed veterans' home in eastern Montana. This project was to be funded 35 percent (\$1,991,897) from proceeds of a two cent increase on cigarette tax and 65 percent (\$3,699,237) from federal funds from the Veterans' Administration.

Federal funds did not become available in the 1991 biennium, so no construction expenses occur. State funds and the federal matching authority were reappropriated for the 1993 biennium in House Bill 234 enacted by the 1991 legislature. In addition, the 1991 legislature named the facility the Eastern Montana Veterans' Home in House Bill 957.

STATE DOCUMENTS COLLECTION

DEC 11 1992

MONTANA STATE LIBRARY
1515 E. 6th AVE.
HELENA, MONTANA 59620

Status

A site for the facility has been donated by the city of Glendive. It consists of 13.5 acres and is located in the northeast portion of the city north of the Interstate 94.

The firm of CTA Architect Engineers was awarded the contract for design of the project. The preliminary design was completed and submitted to the Architecture and Engineering Division (A&E) in July 1991.

As of this date, federal funds have not been awarded for the project. Veterans' Affairs Division staff state that Montana's project is number ten in the overall list of priorities for construction grants and number one in the list of priorities to be funded with federal fiscal year 1992 funds. Notification of award of the funds is not expected until Congress approves the 1992 federal budget. The work will not proceed until the federal funds are awarded.

Projected Completion

The preliminary design has been completed. The architect has developed a schedule for final construction plans which should be completed and bid solicitation started in May 1992. The architect anticipates bid awarding and contract signing will be completed by June 20, 1992, with construction anticipated to take one and one-half years to complete. This means that the facility could be ready for occupancy as early as January 1, 1994.

Project Cost

Table 1 shows the anticipated construction costs for the project. As stated earlier, the project will be funded 65 percent from federal funds and 35 percent from increased cigarette tax revenue deposited in the Capital Projects Account.

Site Work:	
Site Improvements	\$126,621
Lighting	14,000
Landscaping	252,388
Design Contingency (5%)	<u>19,650</u>
Total Site Work Costs	\$412,659
Building:	
Basic Construction (55,947 sf)	\$3,164,922
Upgrades	619,222
Basement Space (9,678 sf)	146,138
Design Contingency (5%)	<u>196,514</u>
Total Building Costs	\$4,126,796
Design Fees	\$360,903
Furnishings and Equipment	790,776
TOTAL COSTS	\$5,691,134

Table 2 shows the operating costs and funding for the 1995 biennium based on an occupancy date of January, 1994, as estimated by DCHS. Funds

for operating budgets will be requested in the Executive Budget presented to the 1993 legislature.

TABLE 2			
Eastern Montana Veterans' Home			
Operating Costs			
	Fiscal 1994	Fiscal 1995	Biennium
F.T.E.	50.55	98.10	
Program Costs			
Personal Services	\$1,151,376	\$2,213,527	\$3,364,903
Operating Expenses	267,053	534,105	801,158
Equipment	<u>70,200</u>	<u>70,200</u>	<u>140,400</u>
Total Program	\$1,488,629	\$2,817,832	\$4,306,461
Funding			
General Fund	\$1,104,211	\$1,213,681	\$2,317,892
VA Reimbursement	178,133	743,241	921,374
Third Party	<u>206,285</u>	<u>860,910</u>	<u>1,067,195</u>
Total Funding	\$1,488,629	\$2,817,832	\$4,306,461

WOMEN'S CORRECTIONAL FACILITY

Background

During the 1991 session, the legislature authorized the construction of a 120 bed women's correctional facility, to be financed by general obligation bonds at a cost of \$10.08 million. Prior to the session, DCHS had solicited bids from various communities throughout Montana for a facility to be constructed and funded by the successful bidder. The facility would then be leased by the department. House Bill 528 passed during the session placed

in statute the criteria for the selection and provided that the site selection would be made by a committee composed of legislators, the public, and executive branch officials. House Bill 5 authorized the construction of and bonding for the facility.

Site Selection

Prior to the session, the department had requested letters of intent from communities interested in having the facility. Twenty communities responded. Requests for Proposals (RFP) were sent to these communities and eight (Billings, Butte, Great Falls, Helena, Livingston, Shelby, Anaconda, and Sidney) responded.

House Bill 528 created a 12-member committee for the site selection with one of the members, a representative of the A&E, serving in an advisory capacity. The members of the committee were:

1. Three representatives of public (appointed by the Governor):
 - a. Doug Mood - Seeley Lake
 - b. Luana Ross - Bozeman
 - c. Marge Boulware - Miles City
2. Two members of the House (appointed by the Speaker):
 - a. Rep. Vivian Brooke - Missoula
 - b. Rep. Robert Clark - Ryegate.
3. Two members of Senate (appointed by the President of Senate):
 - a. Sen. Eleanor Vaughn - Libby
 - b. Sen. Ethel Harding - Polson

4. Two representatives of the Department of Corrections and Human Services:
 - a. Steve MacAskill - Superintendent of the Women's Correctional Center
 - b. Jim Pomroy - Acting Administrator of the Corrections Division
5. One representative of an organization with a primary mission addressing women's needs (appointed by the Governor):
 - a. Jane Lopp - Kalispell (Chairperson)
6. One representative of the Criminal Justice and Corrections Advisory Council (appointed by the Governor):
 - a. Rep. Bob Thoft - Stevensville
7. One representative of Architecture and Engineering Division:
 - a. Jim Whaley - Helena (Ex-Oficio)

This committee adopted a methodology which applied numeric values to each of the site selection criteria and set up a system for weighting these values as a means of evaluating the RFP's from each of the eight communities.

This process narrowed the communities to four: 1) Billings (2 sites); 2) Butte; 3) Great Falls (2 sites); and 4) Helena. The committee visited each of the six sites under consideration and held a public hearing in each community.

On September 19, the committee selected one of the Billings sites as the highest scoring based on the methodology. The scores for each site were:

1. Billings (32nd and Hesper)	416
2. Billings (18th and Monad)	407
3. Great Falls (Mitchell)	400
4. Helena	390
5. Great Falls (School District)	389
6. Butte	264

Projected Completion

A&E has begun the process of selecting an architect firm for the project. RFP's were distributed and seven firms will be interviewed in mid-November. A&E anticipates presenting three firms to the Board of Examiners for the final selection in November. The contract would be finalized in January 1992.

With approximately one year needed for the project design and plans to be completed, construction could begin as early as January, 1993. A&E estimates construction will take approximately 18 to 24 months. Thus, the anticipated completion date for the project is the summer or fall of 1994, which would be the 1995 fiscal year.

If the anticipated schedule is maintained, the Executive Budget presented to the 1993 legislature would reflect only a partial fiscal year's operating costs for the 1995 biennium. There is no estimate of the operating costs. The current budget for the Women's Correction Center at the Montana State Hospital campus is approximately \$1.1 million per fiscal year.

Projected Construction Costs and Funding

The appropriation for the project is \$10,075,600, to be funded entirely with general obligation bonds. Since no provisions were made in House Bill 5 for the advance funding needed for the design and study costs of the project, A&E may secure a \$600,000 to \$700,000 general fund loan in early 1992 for these costs if there is an insufficient cash balance in the capital projects account. A&E anticipates the bonds will be issued early in calendar year 1993, at which time the general fund loan will be repaid.

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